

**WINN PARISH
FIRE PROTECTION DISTRICT NO. 3**

FINANCIAL REPORT
DECEMBER 31, 2014

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
FINANCIAL REPORT
DECEMBER 31, 2014

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Shanna Jones, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Winn Parish Fire Protection District No. 3
Winnfield, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluation of the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Winn

Parish Fire Protection District No. 3 as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

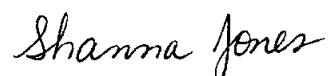
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. The Winn Parish Fire Protection District No. 3 has not presented the Management's Discussion and Analysis but has included the Budgetary Comparison Schedule on page 26. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operation, economic, or historical context. I have applied certain limited procedures to the required supplementary information presented in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 27, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated March 26, 2015, on my consideration of the Winn Parish Fire Protection District No. 3 internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Shanna Jones, CPA
Winnfield, Louisiana
March 26, 2015

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	<u>Governmental Activities</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 840,280
Investments	1,378,208
Prepaid Expenses	9,231
Receivables:	
Ad Valorem Tax	520,114
Interest	<u>117</u>
Total Current Assets	2,747,950
Non-Current Assets:	
Capital Assets	
Depreciable (Net)	1,217,313
Non-Depreciable	<u>27,928</u>
Total Non-Current Assets	1,245,241
Total Assets	<u>3,993,191</u>
 Liabilities:	
Current Liabilities:	
Accounts Payable	10,747
Payroll Related Liabilities	<u>4,981</u>
Total Liabilities	<u>15,728</u>
 Net Position:	
Invested in Capital Assets	1,245,241
Unrestricted	<u>2,732,222</u>
Total Net Position	<u><u>\$ 3,977,463</u></u>

The accompanying notes are an integral part of the basic financial statements.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u> Operating Grants & Contributions	Net (Expense) Revenue & Changes in Net Position <u>Government Activities</u>
Governmental Activities:			
Public Safety	\$ 666,217	\$ 37,814	\$ (628,403)
General Revenues:			
			586,348
			6,935
			<u>11,843</u>
			<u>605,126</u>
			(23,277)
			<u>4,000,740</u>
			<u>\$ 3,977,463</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BALANCE SHEET—GOVERNMENTAL FUND
DECEMBER 31, 2014

	Major Fund: <u>General</u>
Assets:	
Current Assets:	
Cash & Cash Equivalents	\$ 840,280
Investments	1,378,208
Prepaid Expenses	9,231
Receivables:	
Ad Valorem	520,114
Interest	<u>117</u>
Total Assets	<u><u>2,747,950</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	10,747
Payroll Related Liabilities	<u>4,981</u>
Total Liabilities	<u>15,728</u>
Fund Balance:	
Nonspendable	9,231
Committed	1,300,000
Unassigned	<u>1,422,991</u>
Total Fund Balance	<u><u>2,732,222</u></u>
Total Liabilities & Fund Balance	<u><u>\$ 2,747,950</u></u>

The accompanying notes are an integral part of the basic financial statements.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Fund Balance for the Governmental Fund at December 31, 2014	\$ 2,732,222
----------------------------------------------------------------------	--------------

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Non-Depreciable	27,928
Depreciable	4,586,132
Less: Accumulated Depreciation	<u>(3,368,819)</u>

Total Net Position of Governmental Activities at December 31, 2014	<u>\$ 3,977,463</u>
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The accompanying notes are an integral part of the basic financial statements.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Major Fund: <u>General</u>
Revenues:	
Taxes	\$ 586,348
Intergovernmental:	
Fire Insurance Rebate	37,814
Miscellaneous:	
Interest Earned	6,935
Other	<u>11,843</u>
Total Revenues	<u>642,940</u>
Expenditures:	
Current:	
Public Safety	440,501
Capital Outlay	<u>273,683</u>
Total Expenditures	<u>714,184</u>
Excess of Expenditures & Other Financing	
Uses over Revenues & Other	
Financing Sources	(71,244)
Fund Balance—Beginning of Year	<u>2,803,466</u>
Fund Balance—End of Year	<u><u>\$ 2,732,222</u></u>

The accompanying notes are an integral part of the basic financial statements.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balance—Governmental Fund	\$ (71,244)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	273,683
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(225,716)</u>
Net Change in Net Position per Statement of Activities	<u><u>\$ (23,277)</u></u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1—INTRODUCTION

Winn Parish Fire Protection District No. 3 was created December 15, 1997, by a resolution of the Winn Parish Police Jury. The Winn Parish Fire Protection District No. 3 (the District) began operations on November 4, 1998 with the issue of \$2,250,000 in general obligation bonds. The District provides fire protection to all of Winn Parish outside of the city limits of the City of Winnfield and such area is comprised of a population of some 14,800 per latest population estimates. The District operates through a Board of Commissioners and is governed by various State of Louisiana Revised Statutes, including but not limited to LSA-RS 40:1491 to 40:1509.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Winn Parish Fire Protection District No. 3 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standard Board (GASB) Statement No. 61 amended No 14's established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

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2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury provided construction of fire protection facilities and related equipment for those facilities for the Winn Parish Fire Protection District No.3, the District was determined to be fiscally dependent on the police jury and accordingly is considered to be a component unit of the Winn Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the District has implemented GASB Statement No. 63 for the fiscal year ended December 31, 2012.

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Accounting:

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid manage-

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
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ment in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

Governmental Fund:

General Fund—The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made.

Accrual Basis—Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected 60 days after year end. Grant revenues are recorded when the District is entitled to the funds. In addition, the District records ad valorem revenue in the year in which the ad valorem taxes are assessed. Ad valorem taxes are assessed on January 1, levied on June 30, and become delinquent on December 31, of each year. Property taxes paid under protest are recognized in periods the tax protest is resolved. All other revenue is recognized in the year in which it is earned and available for use. Expenditures generally are recorded when a liability is

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
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incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Assets Liabilities and Equity

Cash and Cash Equivalents—The District's cash is considered to be cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

Investments—State statutes allow the Winn Parish Fire Protection District No. 3 to invest in United States bonds, treasury notes and bills, or certificates of time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost, which approximate market.

Capital Assets—The District reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Also the District's FFS expense assets as capital outlays in the year occurring.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method. The assets estimated useful lives are as follows:

Office Equipment and Furniture	5 years
Firefighting Equipment	10 years
Fire Trucks	15 years
Other Vehicles	5 years
Buildings	40 years

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
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Equity Classifications—In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position—Net Position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position—All other components of Net Position that do not meet the definition of “restricted” or “invested in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The government considers committed resources spent when expenditures incur for purposes which both committed and unassigned fund balances are available.

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NOTES TO FINANCIAL STATEMENTS
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The General Fund, the District's only major governmental fund, has a nonspendable fund balance of \$9,231 which represents prepaid expenses. During fiscal year ended December 31, 2014 the board committed \$1,300,000 to the future purchases of fire apparatus. The remaining fund balance of \$1,422,991 is classified as unassigned.

Budget

The proposed budget for the General Fund for the fiscal year ended December 31, 2014 was made available for public inspection and adopted in December 2013. The original budget was amended in December 2014 and such budgets are prepared on the modified accrual basis of accounting.

All budgeted appropriations lapse at the end of each fiscal year. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Budget amounts included in the required supplementary information to these financial statements are as originally adopted and finally amended.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3—CASH AND CASH EQUIVALENTS

At December 31, 2014, the carrying amount of the District's cash and cash equivalents (collected bank balances) totaled \$1,110,888. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2014, the District's deposits were secured from risk by federal deposit insurance of \$250,000 and the remainder by pledged securities in the name of the District with a market value greater than the remaining amount.

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Even though the pledged securities are considered uncollateralized (Category #3), the Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4—INVESTMENTS

At December 31, 2014, investments held by the District consist of \$1,369,008 in certificates of deposit within a local financial institution and secured by FDIC insurance and pledged securities in the name of the District with a market value greater than the remaining amount.

Also at December 31, 2014 were investments held by the District of \$9,200 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. The investment in LAMP by the District is not categorized in the three risk categories provided by GASB because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by the initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio included only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955 (A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates.

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The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

NOTE 5—AD VALOREM TAX RECEIVABLE

At December 31, 2014, ad valorem receivable totaled \$520,114 and was a result of ad valorem taxes assessed and levied but not remitted by year end. These receivables are considered to be fully collectible and therefore no allowance for doubtful accounts is used.

NOTE 6—INTEREST RECEIVABLE

Interest in the amount of \$117 was earned as of December 31, 2014 and collected within 60 days after year end.

NOTE 7—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2014 are as follows:

<u>Governmental Activities</u>	<u>Balance 01/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/14</u>
Capital Assets—Not Depreciable:				
Land	\$ 25,643	\$ -	\$ -	\$ 25,643
Land (purchase in progress)	<u>-</u>	<u>2,285</u>	<u>-</u>	<u>2,285</u>
Subtotal	25,643	2,285	-	27,928
Capital Assets—Depreciable:				
Buildings & Improvements	432,411	-	-	432,411
Fire Equipment	3,849,594	262,501	-	4,112,095
Office Equipment & Furniture	<u>32,729</u>	<u>8,897</u>	<u>-</u>	<u>41,626</u>
Subtotal	4,314,734	271,398	-	4,586,132
Total Assets	<u>4,340,377</u>	<u>273,683</u>	<u>-</u>	<u>4,614,060</u>
Less Accumulated Depreciation:				
Buildings & Improvements	149,936	14,454	-	164,390
Fire Equipment	2,960,438	210,540	-	3,170,978
Office Equipment & Furniture	<u>32,729</u>	<u>722</u>	<u>-</u>	<u>33,451</u>
Total Accum. Depreciation	<u>3,143,103</u>	<u>225,716</u>	<u>-</u>	<u>3,368,819</u>
Net Capital Assets	<u>\$1,197,274</u>			<u>\$1,245,241</u>

Depreciation expense for the year ended December 31, 2014 of \$225,716 is charged to the public safety function.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
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NOTE 8—COMPENSATED ABSENCES

During the fiscal year ended December 31, 2014 the District did not carry forward leave from year to year, therefore no entry is make to record compensated absences.

NOTE 9—AD VALOREM TAXES

The District levies taxes on real and business personal property located within the boundaries of the Winn Parish Fire Protection District No.3. Property taxes are levied by the District on property values assessed by the Winn Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Winn Parish Sheriff's Office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment Date	January	1
Levy Date	June	30
Tax Bills Mailed	October	15
Total Taxes Due	December	31
Penalties & Interest Added	January	31
Lien Date	January	31
Tax Sale	May	15

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Winn Parish Assessor each year on a uniform basis at the following ratios to fair market value:

10% Land	15% Machinery
10% Residential Improvements	15% Commercial Improvements
15% Industrial Improvements	25% Public Service Properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2014. Total assessed value for the District was \$63,233,209 in 2014. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption for the District was a total of \$13,179,431 of the assessed value in 2014. For the year ended December 31, 2014, taxes of 12.0 mills were authorized and levied on the properties and were dedicated to fire protection. The District's 2014 Assessed Taxes totaled \$600,643, after adjustments.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

The principal taxpayers of the District are:

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of District's Total Assessed Value</u>
Entergy Louisiana, LLC	\$ 4,122,110	6.5%
West Fraser	3,286,600	5.2%
AT&T Mobility	2,539,074	4.0%
Weyerhaeuser NR Company Sawmill	2,460,636	3.9%
Weyerhaeuser	2,138,629	3.4%
Access Midstream Operating, LLC	1,977,454	3.1%
Kansas City Southern Railway	1,707,520	2.7%
Plum Creek Timber	1,689,605	2.7%
Arclin USA Inc.	1,646,731	2.6%
Tennessee Gas Pipeline Co	<u>1,456,120</u>	<u>2.3%</u>
 Total	 <u>\$ 23,024,479</u>	 <u>36.4%</u>

NOTE 10—EMPLOYEE RETIREMENT SYSTEM

Plan Description – Beginning in the fiscal year ended December 31, 2012, all full-time employees of the Winn Parish Fire Protection District No. 3 participate in the Louisiana Firefighters' Retirement System ("System"), a multiple-employer (cost-sharing), governmental defined benefit pension plan, controlled and administered by a separate board of trustees.

All full-time firefighter employees of a Louisiana municipal, parish or fire protection districts and earn more than \$375 per month are required to participate in the System, with few exceptions noted in the state statute. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 20 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% percent of their final-average compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100 percent.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Firefighters' Retirement System, Post Office Box 94095, Capital Station, Baton Rouge, Louisiana 70804, by visiting their website at www.lafirefightersret.com or by calling (318) 925-4060.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Funding Policy - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary, for wages above poverty and the Winn Parish Fire Protection District No. 3 is required to contribute at an actuarially determined rate. The current rate is 29.25 percent of annual covered payroll above poverty. The contribution requirements of plan members and the Fire District are established and may be amended by state statute. The District's combined required contributions to the System for the years ending December 31, 2014 and 2013 were \$11,739 and \$11,499 respectively.

NOTE 11—SERVICES PROVIDED BY WINN PARISH POLICE JURY

The Winn Parish Police Jury has constructed various fire protection facilities in the Winn Parish Fire District under grants to the Police Jury. In addition, the Police Jury has purchased some fire protection equipment at the facilities it constructs. At the conclusion of the construction of these facilities, the Winn Parish Fire District has assumed the operation and maintenance of such facilities and equipment under an intergovernmental agreement.

During fiscal year ended December 31, 2014 the Winn Parish Police Jury allowed the Fire District's full time employees to be included in their group health insurance. The District's reimbursement of this cost totaled \$14,122.

NOTE 12—LEASE AGREEMENT

During the fiscal year ended December 31, 2014, the District continued a cancellable operating lease agreement with the Winn Parish Sheriff. The agreement allows the Sheriff to lease a vehicle from the District and states that the Sheriff is responsible for related expenses of the vehicle.

NOTE 13—COMPENSATION TO BOAD MEMBERS

The members of the Board of Commissioners of the District received compensation for their services based on the number of board meetings attended during the year. Their payments are as follows:

Loyd Vines	\$ 420
Billy Herrod	450
Louis Franks	420
John Martin	450
Dustin Durbin	90
Bryan Price	30
Kenneth Womack	30

Some board members are also volunteer firefighters and receive additional compensation based on training sessions and structure fires attended.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 14—RELATED PARTY TRANSACTIONS

The District had no identified related party transactions for the year ended December 31, 2014.

NOTE 15—OTHER POST EMPLOYMENT BENEFITS

During the year ended December 31, 2014, the District provided no post-employment benefits other than retirement. Therefore no disclosure for GASB No. 45 is required.

NOTE 16—PENDING LITIGATION

There were no civil suits seeking damages against the District outstanding at December 31, 2014.

NOTE 17—SUBSEQUENT EVENTS

Management has evaluated events through March 26, 2015, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Property Taxes	\$ 525,000	\$ 593,050	\$ 586,348	\$ (6,702)
Intergovernmental:				
State Grant	4,500	7,129	0	(7,129)
2% Fire Rebate	34,000	37,814	37,814	0
Interest	12,000	6,833	6,935	102
Miscellaneous	<u>1,600</u>	<u>11,918</u>	<u>11,843</u>	<u>(75)</u>
Total Revenues	<u>577,100</u>	<u>656,744</u>	<u>642,940</u>	<u>(13,804)</u>
Expenditures:				
Current—Public Safety				
Payroll	130,000	139,262	138,567	695
Payroll Taxes	30,000	29,491	9,994	19,497
Office Expenses	6,000	19,208	18,631	577
Utilities	17,000	14,366	16,643	(2,277)
Insurance & Retirement	79,000	37,395	75,281	(37,886)
Equipment & Supplies	50,000	73,116	66,398	6,718
Vehicle Repair & Maint.	50,000	56,702	55,381	1,321
Property Repair & Maint.	10,000	8,064	8,910	(846)
Vehicle Fuel	25,000	23,034	22,452	582
Legal Advertising	800	737	966	(229)
Accounting & Audit	4,000	4,000	4,000	0
Training & Vol. Reimburse	16,000	12,680	14,558	(1,878)
Nonemployee Labor	5,000	6,265	8,720	(2,455)
Miscellaneous	1,000	83	0	83
Capital Outlay Replacement	50,000	50,000	0	50,000
Capital Outlay	<u>0</u>	<u>257,122</u>	<u>273,683</u>	<u>(16,561)</u>
Total Expenditures	<u>473,800</u>	<u>731,525</u>	<u>714,184</u>	<u>17,341</u>
Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	103,300	(74,781)	(71,244)	3,537
Fund Balance—Beginning of Year	<u>2,803,466</u>	<u>2,803,466</u>	<u>2,803,466</u>	<u>0</u>
Fund Balance—End of Year	<u>\$2,906,766</u>	<u>\$ 2,728,685</u>	<u>\$ 2,732,222</u>	<u>\$ 3,537</u>

See accountant's report.

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2014

In accordance with Act 706 of the 2014 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits and Other Payment to the Political Subdivision Head or Chief Executive Officers is presented.

The Winn Parish Fire Protection District No. 3 is governed by a Board of Commissioners. Their compensation as such is noted in the Note Disclosures; however those board members receiving additional compensation based on training sessions and structure fires attended is listed below.

John Martin	\$ 160
Kenneth Womack	80
Loyd Vines	65
Dustin Durbin	20
Bryan Price	10

The Head of Operations for the Fire District is the Chief. During the fiscal year ended December 31, 2014 there were two chiefs. Charles Long was chief from January 1, 2014 until his resignation which per the board meeting minutes was effective July 25, 2014. At the August 11, 2014 board meeting Troy Rogers was confirmed as chief of the District. The payments to each Chief per Act 706 for the fiscal year ended December 31, 2014, are as follows.

	Charles Long	Troy Rogers
Gross Salary	\$ 17,813	\$ 17,500
State Supplemental Pay	1,750	-
Retirement-Contributed by District	6,049	(N/A per statute)
Health Insurance-Paid by District	4,699	2,364
Reimbursed Expenses	-	47
Training	30	178
Membership Dues	84	-

A vehicle was provided to each chief for during duty hours. Also vouchered expenses purchased for the District and reimbursed were not included unless for direct benefit of chief as noted above and per Act 706.

See accountant's report.

SUPPLEMENTARY INFORMATION

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENTAL AUDITING STANDARDS*

Board of Commissioners
Winn Parish Fire Protection District No. 3
Winnfield, Louisiana

I have audited the financial statements of the governmental activities and major fund of Winn Parish Fire Protection District No. 3, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2014, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated March 26, 2015. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these

(Continued)

limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Winn Parish Fire Protection District No. 3's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 14-01 and 14-02.

The Winn Parish Fire Protection District No. 3's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Shanna Jones, CPA
Winnfield, Louisiana
March 26, 2015

Concluded

WINN PARISH FIRE PROTECTION DISTRICT NO. 3
SCHEDULE OF FINDINGS & RESPONSES
YEAR ENDED DECEMBER 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unqualified opinion on the financial statements of the Winn Parish Fire Protection District No. 3.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. Two instances of noncompliance material to the financial statements of the Winn Parish Fire Protection District No. 3 were disclosed during the audit.

B. FINANCIAL STATEMENTS AUDIT

Compliance

14-01 Noncompliance with Public Bid Law

Public Bid Law (LA RS 38:2211, et seq.) states purchases of materials and supplies over \$30,000 are required by to be bid.

Finding—Within days on two invoices, pagers were purchased for a total in excess of \$30,000 without bidding out nor purchasing under state contract pricing.

Status—Management is aware that this is not acceptable and items purchased subsequently during the fiscal year and subject to Public Bid Law were noted to be bid.

14-02 Noncompliance with Retirement System

LA RS 11:2252 states full time firefighter employees earning at least three hundred seventy-five dollars per month excluding supplemental pay are required to participate in the Firefighters' Retirement System, with exclusions for entry age over 50.

Finding—(A) An employee of the District was noted not to be participating in the Retirement System. (B) Contributions were not withheld on another employee, nor paid in for part of the year.

Status—(A) The employee is no longer with the District. (B) Such contributions will be paid and are accrued as payable. The employee will have correct withholdings.

C. PRIOR YEAR FINDINGS

No findings.